



Testimony of Karen Hobert Flynn
Vice President of State Operations for Common Cause
Before the Government Administration and Elections Committee
Public Hearing
March 13, 2009

My name is Karen Hobert Flynn and I am the Vice President of State Operations for the national organization of Common Cause and former Chair of Common Cause in Connecticut, and one of the advocates who worked to urge the General Assembly and the Governor to pass the Citizens Election Program, as well as important fixes to that law in 2006 and 2007.

Common Cause in Connecticut is a nonpartisan, nonprofit citizen lobby that works to improve the way Connecticut's government operates. Common Cause has more than 400,000 members around the country and 36 state chapters. We have approximately 7200 members and activists in Connecticut.

I am here today to testify on the following bills before the GAE committee:

- HB1109** AAC the Reduction of General Election and Primary Grants under the Citizens' Election Program
- HB 5366** AAC the Reduction of Grants under the Citizens' Election Program
- SB 604** AAC the Reduction of Certain General Election Grants Under the Citizens' Election Program
- HB 5011** AAC the Valuation of Materials Used in Prior Elections
- HB 6662** AAC Revisions to the Citizens' Election Program
- HB 1107** AAC Electronic filing of Campaign Reports
- HB 1108** AAC Concerning the Powers and Duties of the State Elections Enforcement Commission and the Voter's Bill of Rights
- HB 6661** AAC the Status of Candidates and Certain Donations under the Citizens' Election Program

I am happy to be able to come before you today following the inaugural run of the Connecticut Citizens' Election Program, a run that could easily be called a stunning success, not just because we saw people around the state voting in droves but because it was a victory for the people in Connecticut, many of you on this committee and your predecessors, who fought government corruption and pay to play politics that had become the hallmark of the state and earned us the name "Corrupticut". Together with the Governor, you crafted landmark legislation that has made Connecticut a model for good government across the country. 75% of all candidates in 2008 ran under the

Citizens' Election Program and 81% of those elected to serve in the 2009-2010 General Assembly are Citizens' Election officials. We are proud that Connecticut became the first state to pass the strongest set of campaign finance reforms through the legislative process.

It is in light of this unqualified success that I am here to oppose three bills that propose to reduce grants to qualified candidates for office. **HB 5366 AAC the Reduction of Grants Under the Citizens' Election Program, HB 1109 AAC the Reduction of General Election and Primary Grants Under the Citizens' Election Program and SB 604 AAC the Reduction of Certain General Election Grants Under the Citizens' Election Program.**

We understand that in these difficult economic times that the intent is to reduce the costs of the program. We would note that the program has been cut \$13.5 million to date which represents a 90% cut to the program – more than most programs have been asked to sustain. In addition, you heard here today that Elections Enforcement has shown that it is willing to turn back \$15 million in funds in the next budget cycle – a 50% reduction in the next biennium. The SEEC is clearly willing to do their part to help the state in this economic crisis. In addition – and quite significantly – I would note that candidates who participated in the program in 2008 returned \$1 million in unused funds to the CEF.

We believe that there is a significant danger to the program if the grants are reduced. Reducing grants will make it extremely difficult, if not impossible for challengers to wage competitive campaigns against incumbents and many will see this as simply an incumbent protection measure. The grants were designed to provide enough resources to candidates to run a competitive campaign. Challengers face many disadvantages – they lack name recognition, access to media, and difficulty raising money. If the grants are lowered, they have less ability to get their name out there and run a competitive campaign.

It is important to note that in 2005, leaders in this committee and in the General Assembly worked to set the grant levels after months of hearings and drafting, a summer long work session and a fall full of special sessions to arrive at grant levels that looked at prior spending levels – particularly those for competitive races. The goal wasn't to look at average spending – it was to look at what it takes to run a credible, competitive campaign so that you are giving a real opportunity to challengers.

If candidates do not think they can wage a competitive campaign and have the chance to beat an opponent, they simply won't participate. In states that don't provide enough resources in grants to candidates, you see very few candidates using the program. Wisconsin, for example, has public financing for legislative races but they have not increased the grants since 1986 and as a result participation is low and political scientists characterize the program as ineffective and irrelevant. Candidates ignore the program, and there is an effort this year to pass a fix to that program to provide resources that would enable candidates to get competitive grants under the program.

We believe that these bills, if passed, would all likely result in lowering participation rate in the Citizens' Election program.

In this time of economic crisis, we believe that this program is more important than ever. We have faced a very rough history with unprecedented scandal at the highest level in this state. Citizens need to have the utmost confidence in their elected officials and that they are responsive to the people rather than special interests who contribute to their campaign.

The Citizen's Election program is an historic achievement and we strongly urge you to protect it and not weaken by reducing grants. The Citizens' Election Program was designed to increase citizen participation and has been remarkably successful. Reducing grants will have a chilling effect, and in the end, it will significantly impact participation and the effectiveness of the program in achieving its goals.

Finally, we have not yet gone through a gubernatorial or statewide election to have a better sense of what it will cost to run those campaigns. We do not know how many candidates will emerge and require primaries. We are very aware of the economic crisis in the state but it is clear that we will not balance the budget with the money in this fund. The Citizens' Election Program has already been cut by \$13.5 million: an initial \$5 million in November 2008 and another \$7.5 in the January 2009 deficit package. And in January 2009, another \$1 million was taken. The continued raids will be the death of the fund. A funding shortfall for CEP in 2010 and a negative balance in 2011 will make it impossible to make up ground in order to fully fund the program in 2012 and 2014.

We oppose Section 2. Subsection (d) of HB 6661, which stipulates that candidate committees may transmit additional contributions to fund or to the individual who made the contribution. Common Cause prefers to leave the statute as it is, requiring that candidate committees deposit excess contributions in the fund. We believe that this would be difficult for Treasurers to do and it prevents additional resources from coming to the fund – which can result in cost savings for the CEF. It is unlikely that individual treasurers will have the time or resources to address this.

Common Cause strongly supports HB 6662. AAC Certain Revisions to the Citizens' Election Program. There are a number of critical fixes to the bill, responding to experiences of candidates and treasurers in the 2008 election that we are committed to supporting SEEC to accomplish. In our interviews with recently elected officials we have heard more praise for the system and the assistance of the SEEC throughout the campaign than complaints. There are a few concerns that will be easily remedied with increased familiarity with the system and cognizance of the limitations of time of the SEEC and the candidates.

Ten day review: We support allowing the SEEC to have ten business days to review grant applications for statewide office candidates. The SEEC has a four day period to review legislative office candidate applications. Because of higher qualifying

contribution limits, these applications will contain far more contributions that need to be documented. We urge you to allow the SEEC adequate time to review reports for statewide office so that they can do a thorough and careful review.

Independent Expenditures: Common Cause would like the General Assembly to pass a fix that would allow matching funds to be available to participating candidates when independent expenditures are made in their race with the intent to oppose **or** support them. Currently, if a Citizens' Election candidate is the subject of negative independent expenditures, they receive matching funds from the Citizens' Election Fund to defend themselves. But, if a candidate is the subject of positive independent expenditures, that candidate does not receive matching funds even if it does put their campaign at a disadvantage.

Although this was not a widespread problem during the 2008 election cycle, it has the potential of becoming a problem in the future and an avenue for special interest money to play a major role in campaigns and we believe that over the long term, it could decrease participation in the Citizens' Election Program.

Organizational expenditure limits: Common Cause strongly supports putting limits on organizational expenditures for statewide candidates. The Citizens Election program currently puts caps on organizational expenditures by parties, caucus committees and legislative leadership committees on behalf of House and Senate candidates. We need to expand caps on organizational expenditures to party committees for statewide offices so that this does not become a way to funnel huge sums of money to participating candidates. If this problem is not fixed, we believe it will undermine the goals and intent of the program.

Common Cause supports **HB 1107 AAC Electronic Filing of Campaign Reports**. This is clearly the future of reporting on elections and we support the use of a consistent, uniform strategy for all treasurers, candidates and candidate committees. Under current law, campaigns that raise or spend over \$250,000 must file electronically. All campaigns that raise or spend over \$5,000 should be required to file electronically.

The well-respected Center for Governmental Studies recently gave Connecticut a D in its annual report looking at state disclosure, and whether we have an accessible electronic filing program for campaign finance reports.

Electronic filing is an investment in the future of open campaigns and will save money in the long run. Enacting this reform will save time and money to the system, as many reports still need to be inputted manually by data entry staff. With an election year coming up that adds statewide races with significantly more paperwork for the SEEC, having legislative campaign reports on paper copies adds to the work load of SEEC staff.

Thank you for the opportunity to speak today.